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TO RUEHC/SECSTATE WASHDC IMMEDIATE 2726
INFO RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC
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RUCNDT/USMISSION USUN NEW YORK PRIORITY 0558
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RUEHDT/AMEMBASSY DILI 2051

C O N F I D E N T I A L SECTION 01 OF 02 DILI 000329

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E.O. 12958: DECL: 6/23/2016
TAGS: [PGOV](#) [MOPS](#) [ASEC](#) [KPKO](#) [AS](#) [TT](#)
SUBJECT: EAST TIMOR SITREP: ALKATIRI MAY RESIGN TOMORROW

REF: DILI 327

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CLASSIFIED BY: Grover Joseph Rees, Ambassador, U.S. Embassy
Dili, Department of State.
REASON: 1.4 (b), (d)

(1) (U) Summary:
--- Alkatiri may resign tomorrow; Gusmao defers his decision
for a day;
--- Fretilin mulls candidates for successor Prime Minister;
--- Ramos-Horta may rejoin Fretilin;
--- President addresses demonstrators;
--- Security.
End Summary.

Alkatiri may resign tomorrow; Gusmao defers his decision for a
day

(2) (U) In a meeting with the Dili diplomatic corps this
afternoon, Foreign/Defense Minister Jose Ramos-Horta announced
that Prime Minister Mari Alkatiri has agreed "in principle" to
resign tomorrow. Ramos-Horta stated that the President of
Parliament, Francisco Lu'Olo Guterres, had a brief meeting with
President Gusmao this afternoon and convinced Gusmao to wait
until tomorrow to announce his resignation. Lu'Olo reportedly
assured the President that Alkatiri has agreed to tender his
resignation at tomorrow's meeting of the Fretilin Central
Committee (CCF). While Ramos-Horta said it was theoretically
possible the CCF would insist that Alkatiri remain in office, he
thought this unlikely. Rather, at tomorrow's meeting or soon
thereafter, the CCF plans to designate a new candidate for Prime
Minister to be presented to President Gusmao. (Article 106 of
the Constitution provides that the party with the majority of
seats in Parliament "proposes" a Prime Minister and that the
President "appoints" the Prime Minister after consultation with
all parties having seats in Parliament.) Assuming the candidate

nominated by Fretilin is acceptable to the President, Fretilin would maintain its control of the Government.

(3) (SBU) However, Ramos-Horta also indicated --- in what he presented almost as an aside --- that the Prime Minister's resignation might not become effective immediately. He said "the Prime Minister is willing to stay on for as long as is necessary to help with the budget and other matters." When asked if the President was aware of this aspect of the plan, Ramos-Horta responded to the effect that transitions always take time and that the President surely understands this. The President, however, has previously rejected compromise proposals under which Alkatiri would submit a resignation that would be effective at some distant or indefinite time in the future. See Reftel.

(4) (C) According to Special Representative of the UN Secretary General (SRSG) Sukehiro Hasegawa, who met today with Alkatiri and separately with Gusmao, the situation may be even more fluid than Ramos-Horta suggested. Hasegawa said that as of late this afternoon Gusmao was still uncertain whether Alkatiri will really resign tomorrow, and that he was still writing his own resignation speech to be given in the event Alkatiri does not step down tomorrow. Hasegawa also said that when he asked Alkatiri about this, the Prime Minister responded only that "the President knows what I have agreed to do." Hasegawa said he also discussed these conversations with Ramos-Horta, who for the last several days has been attempting to act as a mediator. Ramos-Horta was frustrated at the President's uncertainty, suggesting that Alkatiri's commitment was clear but that Lu'Olo might not have communicated it clearly to the President.

(4) (U) During Hasegawa's visit with President Gusmao, Hasegawa urged Gusmao not to resign, insisting that the President's continuance in office is essential for stability in East Timor. The President received similar entreaties from many others today, including both of East Timor's Catholic Bishops.

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Fretilin mulls candidates for successor Prime Minister

(5) (C) The leading candidate to become Fretilin's nominee for Prime Minister is reportedly Minister of Agriculture Estanislau Da Silva, a close Alkatiri associate and former Mozambique resident who lacks the hard edge characteristic of many members of the "Mozambique group." Da Silva is a cabable official who is generally regarded as having done a reasonably good job at the Ministry of Agriculture. The United States Embassy has a good relationship with Da Silva, arising in part from his Ministry's role as principal partner/beneficiary on a number of USAID economic development programs. Nevertheless, it is not yet clear whether Da Silva would be acceptable to President Gusmao as the new Prime Minister. Other names being mentioned include Lu'Olo, who is the second-highest Fretilin officer but who is not generally regarded as being up to the job of Prime Minister; Dr. Rui Araujo, the highly regarded Minister of Health; and Foreign/Defense Minister Ramos-Horta. Either Araujo or Ramos-Horta would be acceptable to the President, but neither is likely to be the first choice of Fretilin insiders, in part because neither is a Fretilin party member. But see paragraph 6.

Ramos-Horta may rejoin Fretilin

(6) (U) In his meeting with the diplomatic corps today, Foreign Minister Ramos-Horta noted that he was a founding member of Fretilin (then the Timorese Social Democratic Association or ASDT) in 1974, but that he resigned in 1988 because of what he regarded as ethical problems in the party. He said he had met with Lu'Olo and Alkatiri today and offered to rejoin Fretilin if they thought it would be helpful --- "not in order to contest the leadership, but in order to make clear that the next step [after Alkatiri's resignation] will not be everybody ganging up on Fretilin." He said Lu'Olo and Alkatiri would discuss this

with the CCF tomorrow.

President addresses demonstrators

(7) (U) At about 6 p.m. today President Gusmao appeared in front of the Palacio do Governo to speak to the crowd of anti-Alkatiri demonstrators, who now number several thousand. His speech imparted no news but elaborated on the themes of "Viva Timor Leste," "Viva National Unity", and "Easterners and Westerners Together." Demonstration organizers report "more than ten thousand" demonstrators in Dili, but Emboffs could estimate only that the crowd numbered at least two thousand. Embassy contacts have reported that there are many more demonstrators on the outskirts of Dili who are being prevented by international forces from entering the capital, but when Emboff visited the suburb where these demonstrators were said to be waiting, no such group was present. There are also reports that people in the Eastern districts are being actively discouraged by local government officials from coming to Dili either to join the anti-Alkatiri demonstration or to stage a counter-demonstration. The demonstration thus far has been peaceful.

Security

(8) (U) The situation in Dili today was reasonably calm. There were no incidents reported in connection with the demonstration. The Australian Federal Police (AFP) reported one arrest for assault during the night. They also confiscated a pistol and 191 rounds of ammunition from a police (PNTL) officer who said he had thought he was only required to turn in his long gun and not his pistol.

REES